Washington State Medicaid Reform
Spokane Town Hall meeting
May 21, 2002

SPOKANE -- Approximately 45 people attended the first of 10 Town Hall meetings on the revised Medicaid waiver proposal outlined by the Medical Assistance Administration (MAA) of the Department of Social and Health Services. The audience included legislators, hospital representatives, health-care providers (including two emergency room physicians) as well as clients and the parents of clients.

The opening presentation by MAA Assistant Secretary Doug Porter focused on the state's economic situation and the grim revenue forecasts, including predictions that Boeing layoffs have not run their course and – unlike past downturns – these workers will not be recalled to work this time even though the economy may turn better. Washington state's unemployment rate ranks second in the nation, but like every other state we face rising health-care costs at the same time the state's revenue sources (primarily the sales tax and the business and occupations tax) are declining.

Porter explained: "Everything we are going to be asking for in the waiver today are things that the federal government has approved in other states to help those states expand programs and eligibility. Washington expanded without those steps, so we are asking now in retrospect for those same controls because times have changed."

Black-and-white and color copies of the MAA Powerpoint presentation are being posted on the waiver Web site.

Roger Gantz, Director of the MAA Division of Policy and Analysis, outlined the main proposals within the waiver and explaining the reasoning behind them. MAA Quality Coordinator Tamishia Garrett then opened the meeting to public comment.

Key discussions included:

- A number of parents of disabled children expressed concern that these DSHS clients might face cutbacks in the services they currently receive. A chart of mandatory and optional groups and services within the Medicaid program was construed by some of these parents to represent targeted cuts. In fact, the waiver specifically will not affect long-term care or institutional benefits, and all children's benefits will remain unchanged under the amended waiver. (The initial waiver proposal would have allowed MAA to redesign both children's and adult benefits.)

- Several of the same parents also said they felt DSHS overall could reduce the level of some benefits being provided, especially as their children grow older. One mother said the family could not possibly have provided the initial care her child required, but several years later she finds herself being offered free services that she could afford. A number of people agreed that co-payments and premiums might be feasible for some Medicaid clients, although many others would have trouble paying them.

- Two emergency room physicians who attended spoke strongly in support of placing a co-payment on non-emergent use of hospital emergency rooms. They said a significant portion

of the ER caseload at their hospital is simply a matter of convenience. Many of those clients are working parents who do not want to take time off work because they know they can take a sick child to the emergency room during the evening.

- Several people questioned why the agency did not pursue the SCHIP funds portion of the waiver by itself – giving the state the right to use federal money that now must be returned to Washington, D.C., and ultimately distributed to states that have not been as aggressive as Washington state in addressing child health needs. Gantz replied by noting that CMS would perhaps accept it separately but has indicated to the state that it would prefer to see it submitted as part of a package.

Written testimony:

1. **<u>Emergency Room doctor</u> says most Medicaid clients' ER visits are not emergencies**
2. **Washington <u>Intractable Chronic Pain Association</u> says waiver is not the answer**

Other comments:

▶ "I wanted to comment because what I'm hearing is that your organization came up with this waiver because Washington is in dire economic straits and not because this is a good thing for Medicaid or its clients. Are you going to address the stand on that at all? Are you looking favorably at this waiver only because you see the dire circumstances – otherwise, it's not something you might propose?"

▶ "There are 25,000 children in the Yakima area … children of migrants are being dropped from coverage. They're going to have to qualify, no matter where they go."

▶ "I work at the hospital, and I've been there for 20 years. I don't have any hostility for Medicaid patients, I care for these patients as I would any other. But my concern is for the inappropriate use. Many of you won't agree with this. But a significant percentage of Medicaid patients use the emergency room because it is convenient. A small number may not have a primary care physician, but the majority have not even tried to make an appointment….The problem is, there's no financial disincentive. My recommendation is to identify the overusers and have a reasonable co-payment….It needs to be enough so that people have some hesitation about using the emergency room inappropriately…As for collecting it, for both children and adults, co-payments could be subtracted from their next check…Obviously there needs to be appropriate education, but I think there would be tremendous savings for the state and for the citizens. This money saved could be used to make other services available."

▶ "I recognize the boom or bust cycle the state has experienced, and I hear you saying that will be with us for the next year or two, right? But that's the Catch-22 The more prosperous we are in relation to the rest of the nation, the fewer federal dollars we get…So it seems like we disqualify ourselves as we go. Are we exceeding our medical funds faster than other states? Is our economy lousier than other states? Or can we assume that this same scenario is going on in other states?"

▶ "When you talk about the federal government and how it has allowed other states to do things in order to expand – you are suggesting to me that your effort in this waiver is not in that spirit…We have a SUBTRACTION problem, not an expansion problem!"

▶ "This is such baloney you are laying on us! How do we change YOUR behavior? You need to see your job as taking care of the sickest and the neediest people in our society! Instead, we come here and listen to you talk about changing our behavior. It's YOUR behavior that needs to change!"

▶ "I'm with a group representing patients who would qualify as disabled and low income -- 72 percent of our patients are low-income or with TANF… I'm very concerned about whether coverage for medication will be covered. I'm not being quite as extreme as those saying there shouldn't be any cost sharing, but when you're talking about people who have lost everything, their jobs, their homes, and they have no way to function without appropriate and adequate medical care…You're talking about charging $5 apiece if you don't put their medication on the preferred drug list. If you're talking co-pays with five or 10 prescriptions a month, why, you're talking about $25 to $50 a month for a very VERY low-income group."

▶ "I think what we're talking about is pushing people away from care, which would be a tragedy. The longer patients are not treated, the body breaks down, and you have additional problems."

▶ "Every time government decides to make some kind of an adjustment, they talk about squeezing us and raising revenue from individuals rather than looking at case management of the system or eliminating duplication of services….with 15 or 20 people handling the same patient…"

▶ "When we have a budget deficit and we have to fix the problem, I do think that has to be part of the solution. I'm sure you don't like hearing that."

▶ "These clients have no place else to go. And they will get sicker. And they will die."

▶ "Reduce the layers of bureaucracy, assign case managers, and I think the Legislature also needs to look at its priorities. While we're talking here, we're using a lot of percentages like the Federal Poverty Level (FPL). Well, in Spokane the FPL for one person is $739 a month, gross. In Spokane County, 75 percent of the uninsured are working. The real poverty level is about 160-180 percent of FPL, and that's just for basic subsistence…."

▶ "This side of the mountains is where we're at….You have to face facts. People with that kind of a low income live with an income per month. They don't have an annual income."

▶ "We have to weigh future costs as well as current expense. For example, if we don't treat sick children, then we have to treat them as chronically sick adults. Are we looking at short-term savings and long-term costs?"

▶ "I want to point out that there's one part of the waiver you touched on and jumped away – why is the SCHIP waiver lumped in with everything else? The SCHIP waiver could be separated…at a meeting last year, CMS made it very clear that these didn't have to be together, so why haven't you done that?"

▶ "I get concerned because we get kids healthy in the middle, then we don't have long-term issues. Our kid's cost was much higher when he was young than they are now…But as my son requires less and less service, we're still getting more and more money. Somehow we need to look at the disability we have and find a system so that when you don't need the service, it starts falling off. Our needs aren't as specific as what they keep trying to give it to us – and it's not that we don't

need it, but we're adoptive parents, and we know there are real needs out there. We also know that a lot of services duplicate. Maybe you could start piggybacking with some of the other social services so you could end up with one service and eliminate the overlap and duplication."

▶ "We don't mind paying a small premium, but frankly at first it would have taken my whole paycheck a month to pay for our son's needs. The first two years we were in the hospital every month with pneumonia. That's not true now….and we can absorb some cost now without going bankrupt…."

▶ "I understand part of this. The co-payments for higher level incomes, I see that as not unrealistic….as long as you're not talking about hundreds of prescriptions a month…There should be a lid, especially for people in the lower brackets."

▶ "A lot of times you guys provide services that help families get through a very hard time. If you were to pull back or not allow that to occur, some of these people…would remain in your care a lot longer…"

▶ "Let's not look at dropping off entire groups or freezing entire groups per se because you could be talking about costing yourself a lot more money in the long run."

▶ "I just have a couple of problems with the waiver…I need to know a lot more detail, and if I look at your optional services list, it doesn't really help…There are a lot of services listed here that we use, and if you're talking about limiting some of these services, that is a real problem…"

▶ "There is a constant battle between MAA and Aging and Adult Services over the costs of long-term care and who will pay for it….Durable Medical Equipment, for me, that's not long-term care…"

▶ "The idea you have here about co-payments is not totally bad, but I would like to see some kind of cap or a lid…Some of our patients have a high number of prescriptions and if you're going to put a co-pay on each one, it will be too much."

▶ "The drug co-payment makes people very nervous…The fact is, they wouldn't survive the co-payment…I just wanted to make sure you know that these kinds of situation are extremely serious."

▶ "I have a son with a disability and he has to see a pediatrician all the time, and my wife always tries to call the pediatrician, but in the middle of the night, we have gone to the emergency room…sometimes he's had pneumonia, but other times, it turned out to be OK? So am I going to be penalized under this kind of circumstance?"

▶ "I don't like these alternatives. It's like, Do we shoot the cook first and eat him? Or do we shoot the first guy in line?"

▶ "I have to assume that some of the cost of this is paying everybody's salaries, including the bureaucrats. To put this onus on you, maybe the real culprit isn't the sick people who are looking for treatment, it's the guys who are drawing the big salaries and shuffling paper."

▶ "I'm worried about the enrollment freeze and its effect on all the people who come into the hospital as adult pay who have no insurance…We have different kinds of programs. But we won't be able to refer them to anywhere, so they're going out of the hospital to nowhere, and there's no follow-up."

▶ "Co-pays -- I would like to see that as another possibility…one of my patients had five different diagnosis, because she has $3,000 in medical bills…She can scrape together the money for co-pays, but she can't pay for all of her care all by herself."

"The health-care system operates with premiums that go up and co-payments that go down. And in this case you're talking about co-payments and premiums…and one might be appropriate for one population but not for another."

"I also experienced the surplus of services offered to my son…if you cut enrollment on the one hand and limit the package of services on the other…that seems to me to be a problem I also want to say, I don't want to be misunderstood. I personally found the array of services to be very very helpful. It saved my son's life."

"Many of these people brought up the need for case management…But I'm not seeing that in these (waiver) proposals. It would cost more money to hire more people for case management, but it would be a centralized case management and it would save money in the long run."

"There are expenses that need to be deducted from that earned income so that you can really come to a fair way of charging premiums. I don't have nay problem charging premiums, but I am paying other health care costs that aren't being covered by my health plan."

"We have concerns about all three of the items. We want the consumer to have input and protection. What you're asking for goes to the federal government, where they may approve it and send it back. Does what you're talking about go on to the legislative session, or do you just take it and do it?"

"Is Medicaid going to bankrupt the state? What's the alternative?"